

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

EXAMINATION REPORT
OF
CITY OF JASONVILLE
GREENE COUNTY, INDIANA
January 1, 2008 to December 31, 2008



FILED
09/18/2009

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Charlotte M. Thomas	01-01-08 to 12-31-11
President of the City Council	Peggy Sluder	01-01-08 to 12-31-09
Mayor	Roy L. Terrell, Jr.	01-01-08 to 12-31-11
Superintendent of Utilities	Troy Fougrousse	01-01-08 to 12-31-11
President of the Board of Public Works and Safety	Roy L. Terrell, Jr.	01-01-08 to 12-31-09



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE CITY OF JASONVILLE, GREENE COUNTY, INDIANA

We have examined the financial information presented herein of the City of Jasonville (City), for the period of January 1, 2008 to December 31, 2008. The City's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial information presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of the City for the year ended December 31, 2008, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Capital Assets and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the basic financial information. They have not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

August 12, 2009

CITY OF JASONVILLE
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL AND PROPRIETARY FUND TYPES
As Of And For The Year Ended December 31, 2008

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 265	\$ 698,314	\$ 481,999	\$ 216,580
Motor Vehicle Highway	53,381	112,717	142,733	23,365
Local Road and Street	21,343	12,038	-	33,381
Park and Recreation	8,376	25,918	29,160	5,134
Park Donations	-	5,987	-	5,987
Law Enforcement Continuing Education	826	1,935	2,336	425
Riverboat	51,522	16,088	12,985	54,625
Rainy Day	11,167	17,519	-	28,686
Revolving Loan Fund	14,790	-	-	14,790
Sidewalk Replacement	36,013	11,474	1,500	45,987
Jasonville Development	3,385	-	-	3,385
Heritage Block	1,570	-	-	1,570
Heritage Museum	262	-	-	262
HDF Revolving Loan	15,290	157,009	171,813	486
Police Donation	75	6,041	5,885	231
Police Equipment	-	43,600	43,594	6
Police Grant	(2,435)	2,435	-	-
Cumulative Capital Improvement	21,207	8,254	3,593	25,868
Cumulative Capital Development	17,562	10,785	18,122	10,225
Special Fire	250	100	-	350
Proprietary Funds:				
Water Utility - Operating	34,055	652,899	573,799	113,155
Water Utility - Depreciation	169,817	-	131,900	37,917
Water Utility - Customer Deposit	9,515	2,451	2,801	9,165
Water Utility - Donations for Disaster Assistance	-	836	-	836
Wastewater Utility - Operating	158,074	411,302	526,022	43,354
Wastewater Utility - Bond and Interest	44,122	139,280	183,240	162
Wastewater Utility - Depreciation	157,614	11,015	20,000	148,629
Wastewater Utility - Customer Deposit	11,637	3,560	4,417	10,780
Wastewater Utility - Debt Service	18,645	146,818	-	165,463
Gas Utility - Operating	268,366	983,667	1,224,914	27,119
Gas Utility - Depreciation	9,425	-	9,000	425
Gas Utility - Customer Deposit	24,389	5,700	7,682	22,407
Totals	<u>\$ 1,160,508</u>	<u>\$ 3,487,742</u>	<u>\$ 3,597,495</u>	<u>\$ 1,050,755</u>

The accompanying notes are an integral part of the financial information.

CITY OF JASONVILLE
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The City was established under the laws of the State of Indiana. The City provides the following services: public safety, health and social services, culture and recreation, general administrative services, water, gas, and wastewater.

Note 2. Fund Accounting

The City uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied or highway use taxes are received are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the City in June and December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the City on or prior to December 31 of the year collected.

Note 5. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statute (IC 5-13-9) authorizes the City to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

CITY OF JASONVILLE
NOTES TO FINANCIAL INFORMATION
(Continued)

Note 6. Pension Plan

Public Employees' Retirement Fund

Plan Description

The City contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system, and give the City authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of PERF.

CITY OF JASONVILLE
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 For The Year Ended December 31, 2008

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

General infrastructure assets completed in the current has been reported. Retroactive reporting of general infrastructure assets will occur by January 1, 2010.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 21,264
Buildings	191,701
Improvements other than buildings	118,231
Machinery and equipment	<u>1,167,057</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 1,498,253</u>

<u>Primary Government</u>	<u>Ending Balance</u>
Business-type activities:	
Water Utility:	
Capital assets, not being depreciated:	
Land	\$ 52,344
Buildings	234,813
Improvements other than buildings	1,998,307
Transportation equipment	52,426
Machinery and equipment	<u>307,109</u>
Total Water Utility capital assets	<u>2,644,999</u>
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	110,952
Buildings	10,688
Improvements other than buildings	5,789,164
Machinery and equipment	<u>625,018</u>
Total Wastewater Utility capital assets	<u>6,535,822</u>
Gas Utility:	
Capital assets, not being depreciated:	
Land	3,984
Buildings	14,207
Improvements other than buildings	1,112,485
Transportation equipment	73,931
Machinery and equipment	<u>105,132</u>
Total Gas Utility capital assets	<u>1,309,739</u>
Total business-type activities capital assets	<u>\$ 10,490,560</u>

CITY OF JASONVILLE
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2008

The City has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Notes and loans payable:		
Police Cars	\$ 43,600	\$ 12,862
Fire Truck	<u>300,000</u>	<u>35,642</u>
Total governmental activities debt	<u>\$ 343,600</u>	<u>\$ 48,504</u>
Business-type activities:		
Wastewater Utility:		
Loan payable:		
Wastewater Improvement and Extensions	<u>\$ 2,136,067</u>	<u>\$ 183,800</u>
Total business-type activities debt	<u>\$ 2,136,067</u>	<u>\$ 183,800</u>

CITY OF JASONVILLE
EXAMINATION RESULTS AND COMMENTS

PENALTIES, INTEREST, AND OTHER CHARGES

Penalties and interest totaling \$250.44 were paid to the Internal Revenue Service on February 14, 2008, for the period ending December 31, 2007.

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit.

Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit.

Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee.

(Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

DELINQUENT WASTEWATER ACCOUNTS

Delinquent wastewater fees and penalties had not been recorded with the County Recorder nor were they certified to the County Auditor which would result in a lien against the property.

IC 36-9-23-33 states in part:

"(b) Except as provided in subsection (l), the officer charged with the collection of fees and penalties assessed under this chapter shall enforce their payment. As often as the officer determines is necessary in a calendar year, the officer shall prepare either of the following:

- (1) A list of the delinquent fees and penalties that are enforceable under this section, which must include the following:
 - (A) The name or names of the owner or owners of each lot or parcel of real property on which fees are delinquent.
 - (B) A description of the premises, as shown by the records of the county auditor.
 - (C) The amount of the delinquent fees, together with the penalty.
- (2) An individual instrument for each lot or parcel of real property on which the fees are delinquent."

"(c) The officer shall record a copy of each list or each individual instrument with the county recorder . . ."

"(e) Using the lists and instruments prepared under subsection (b) and recorded under subsection (c), the officer shall, not later than ten (10) days after the list or each individual instrument is recorded under subsection (c), certify to the county auditor a list of the liens that remain unpaid for collection in the next May. . . ."

A similar comment appeared in prior reports.

CITY OF JASONVILLE
EXIT CONFERENCE

The contents of this report were discussed on August 12, 2009, with Roy L. Terrell, Jr., Mayor; and Charlotte M. Thomas, Clerk-Treasurer. The officials concurred with our findings.

The contents of this report were discussed by telephone on August 12, 2009, with Peggy Sluder, President of the City Council.